

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

|                                                                                                                                                                                                        |                         |                                                 |                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------------------------------|-------------------|
| Local Unit of Government Type<br><input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other |                         | Local Unit Name<br>Township of Eagle            | County<br>Clinton |
| Fiscal Year End<br>3/31/06                                                                                                                                                                             | Opinion Date<br>6/26/06 | Date Audit Report Submitted to State<br>9/19/06 |                   |

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES NO **Check each applicable box below.** (See instructions for further detail.)

1.   All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2.   There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3.   The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4.   The local unit has adopted a budget for all required funds.
5.   A public hearing on the budget was held in accordance with State statute.
6.   The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7.   The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8.   The local unit only holds deposits/investments that comply with statutory requirements.
9.   The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10.   There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11.   The local unit is free of repeated comments from previous years.
12.   The audit opinion is UNQUALIFIED.
13.   The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14.   The board or council approves all invoices prior to payment as required by charter or statute.
15.   To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

| We have enclosed the following:                                                                                  | Enclosed                            | Not Required (enter a brief justification) |                              |
|------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------------------|------------------------------|
| Financial Statements                                                                                             | <input checked="" type="checkbox"/> |                                            |                              |
| The letter of Comments and Recommendations                                                                       | <input checked="" type="checkbox"/> | N/A                                        |                              |
| Other (Describe)                                                                                                 | <input checked="" type="checkbox"/> | N/A                                        |                              |
| Certified Public Accountant (Firm Name)<br>Abraham & Gaffney, P.C.                                               |                                     | Telephone Number<br>(517) 351-6836         |                              |
| Street Address<br>3511 Coolidge Road, Suite 100                                                                  |                                     | City<br>East Lansing                       | State Zip<br>MI 48823        |
| Authorizing CPA Signature<br> |                                     | Printed Name<br>Aaron M. Stevens, CPA      | License Number<br>1101024055 |

**Township of Eagle  
Clinton County, Michigan**

**FINANCIAL STATEMENTS**

**March 31, 2006**

Township of Eagle  
Clinton County, Michigan  
March 31, 2006  
BOARD OF TRUSTEES

|               |            |
|---------------|------------|
| David Morris  | Supervisor |
| Wendy Simmons | Clerk      |
| Patti Schafer | Treasurer  |
| Steve Colby   | Trustee    |
| Mark Therrian | Trustee    |

Township of Eagle

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Principals

Dale J. Abraham, CPA  
Michael T. Gaffney, CPA  
Steven R. Kirinovic, CPA  
Aaron M. Stevens, CPA  
Eric J. Glashouwer, CPA



**ABRAHAM & GAFFNEY, P.C.**  
Certified Public Accountants

3511 Coolidge Road  
Suite 100  
East Lansing, MI 48823  
(517) 351-6836  
FAX: (517) 351-6837

INDEPENDENT AUDITOR'S REPORT

Members of the Township Board  
Township of Eagle  
Eagle, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining information of the Township of Eagle, Michigan as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Township of Eagle's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining information of the Township of Eagle, Michigan as of March 31, 2006, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information, as identified in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Eagle's financial statements. The accompanying other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Abraham & Gaffney, P.C.*

ABRAHAM & GAFFNEY, P.C.  
Certified Public Accountants

June 26, 2006

Township of Eagle

MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2006

**Financial Reporting**

The standards set by the Governmental Accounting Standards Board (GASB) are intended to give the reader of this annual financial report a better understanding of the financial status of the Township of Eagle, Michigan (the Township). This report presents a much broader picture of the Township's financial status. Through this comprehensive reporting of assets and liabilities, the reader should have a greater understanding of the Township's financial health.

The discussion and analysis of the Township's financial performance provides an overview of the Township's financial activities for the fiscal year ended March 31, 2006. Please read it in conjunction with the Township's financial statements.

**Financial Highlights**

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended March 31, 2006:

- State Revenue Sharing, even though has been reduced statewide, by eliminating the statutory revenue sharing, Eagle Township saw an increase of \$802 from the previous year.
- Property tax revenues increased approximately \$24,000.
- The Landmarc Appraisal Company has been hired to review parcels re-appraised by the appraisal service we hired in 2003-2004 fiscal year. After discussions with the State regarding some discrepancies found, the State has extended the due date for the Township to March 2007. The Township has contracted the services of The Landmarc Appraisal Company to start and complete a new re-appraisal for \$59,300.
- The Township has signed another four (4) year contract with Randy Jewell for assessing services and those expenses for 2005-2006 are down approximately \$8,815 from the 2004-2005 expenses.

**Using this Annual Report**

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities provide information about the activities of the Township of Eagle as a whole and present a longer-term view of the Township's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the operations of the Township of Eagle in more detail than the government-wide financial statements by providing information about the Township's most significant funds.

Township of Eagle

MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2006

**The Township as a Whole**

The following table shows, in a condensed format, the net assets as of March 31, 2006 and 2005.

|                                                    | <u>2006</u>       | <u>2005</u>       |
|----------------------------------------------------|-------------------|-------------------|
| <b>Assets</b>                                      |                   |                   |
| Current assets                                     | \$ 288,137        | \$ 202,177        |
| Noncurrent assets                                  |                   |                   |
| Equity interest in LGRFA                           | 657,334           | 708,400           |
| Capital assets, net                                | <u>5,947</u>      | <u>5,147</u>      |
| Total noncurrent assets                            | <u>663,281</u>    | <u>713,547</u>    |
| Total assets                                       | 951,418           | 915,724           |
| <b>Liabilities</b>                                 |                   |                   |
| Current liabilities                                | 71,964            | 59,196            |
| Long-term liabilities                              | <u>396,993</u>    | <u>452,344</u>    |
| Total liabilities                                  | <u>468,957</u>    | <u>511,540</u>    |
| <b>Net Assets</b>                                  |                   |                   |
| Invested in capital assets,<br>Net of related debt | 202,984           | 186,266           |
| Unrestricted                                       | <u>279,477</u>    | <u>217,918</u>    |
| Total net assets                                   | <u>\$ 482,461</u> | <u>\$ 404,184</u> |

The Township's total net assets were \$482,461 at March 31, 2006, an increase of approximately 19% from a year ago. Unrestricted net assets (the part of net assets that can be used to finance day-to-day operations) increased by \$61,559 to \$279,477 at the end of the fiscal year. The net asset invested in capital assets, net of related debt increased \$16,718 to \$202,984 at the end of the fiscal year. The current level of unrestricted net assets for governmental activities stands at approximately 68% of annual expenses.

The following table shows the changes in net assets during the current year.

|                                    | <u>2006</u>  | <u>2005</u>  |
|------------------------------------|--------------|--------------|
| <b>Revenue</b>                     |              |              |
| Charges for services               | \$ 73,614    | \$ 78,819    |
| Operating grants and contributions | 4,784        | 4,266        |
| Capital grants and contributions   | 4,800        | -            |
| Property taxes                     | 238,709      | 214,258      |
| State shared revenue               | 151,258      | 150,456      |
| Investment earnings                | 8,547        | 3,680        |
| Other revenue                      | <u>6,564</u> | <u>8,089</u> |
| Total Revenue                      | 488,276      | 459,568      |

Township of Eagle

MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2006

|                                   | <u>2006</u>      | <u>2005</u>      |
|-----------------------------------|------------------|------------------|
| <b>Expenses</b>                   |                  |                  |
| General government                | \$ 101,232       | \$ 118,729       |
| Public safety                     | 201,013          | 197,156          |
| Public works                      | 34,491           | 21,854           |
| Health and welfare                | 20,880           | 20,825           |
| Other                             | 36,894           | 41,754           |
| Interest on long-term liabilities | <u>15,489</u>    | <u>17,472</u>    |
| Total program expenses            | <u>409,999</u>   | <u>417,790</u>   |
| <b>Change in Net Assets</b>       | <u>\$ 78,277</u> | <u>\$ 41,778</u> |

**Governmental Activities**

The Township's governmental revenues totaled \$488,276 with the greatest revenue source being property taxes. Property taxes make up approximately 48.9% of total governmental revenue. Over the past year, state shared revenue and interest income have both increased.

The Township incurred expenses of \$409,999 during the year. The majority of governmental expense is associated with the public safety function and represents approximately 49% of total expenses. The public safety function includes emergency services.

**The Township's Funds**

The analysis of the Township's major funds begins on page 3, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the Township of Eagle as a whole. The Township of Eagle's Board of Trustees creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as property tax millages. The Township's major funds for the fiscal year ended March 31, 2006 include the General Fund and the Emergency Services Fund.

**General Fund Budgetary Highlights**

Over the course of the fiscal year, the Township Board made necessary budget adjustments to fund unanticipated expenditures during the year. The Township's expenditures were \$77,607 under budgeted expenditures and revenues were \$12,107 over budgeted revenues.

**Capital Asset and Debt Administration**

At the end of the fiscal year, the Township had approximately \$663,000 invested in a broad range of capital assets, including buildings, land, equipment, and capital assets held by the Looking Glass Regional Fire Authority, a joint venture that the Township of Eagle participates in with the Charter Township of Watertown. In addition, the Township has made certain investments in roads and drains within the Township of Eagle. These assets are not reported in the Township of Eagle's fund statements, because under Michigan law, these roads and drains are the property of the Clinton County Road and Drain Commissions, respectively.

The Township had two notes payable outstanding at the end of the fiscal year, the proceeds of which were used to finance a portion of the Looking Glass Regional Fire Authority capital project. During the year, principal payments reduced the total outstanding balance by approximately \$53,000. The remaining notes payable totaled \$452,845 as of March 31, 2006.

Township of Eagle

MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2006

**Current Economic Factors**

Revenue sharing is the most significant budgetary concern at this time. The State of Michigan is experiencing significant financial issues, and as they look for solutions, revenue sharing continues to be under attack.

**Contacting the Township's Management**

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township's finances and demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Township Clerk or Treasurer.

## **BASIC FINANCIAL STATEMENTS**

Township of Eagle  
STATEMENT OF NET ASSETS  
March 31, 2006

|                                                          | Governmental<br>Activities |
|----------------------------------------------------------|----------------------------|
| <b>ASSETS</b>                                            |                            |
| Current assets                                           |                            |
| Cash and cash equivalents                                | \$ 235,192                 |
| Accounts receivable                                      | 2,575                      |
| Due from other governmental units -                      |                            |
| Local                                                    | 22,016                     |
| State                                                    | 25,165                     |
| Prepaid expenses                                         | 3,189                      |
| Total current assets                                     | 288,137                    |
| Noncurrent assets                                        |                            |
| Equity interest in Looking Glass Regional Fire Authority | 657,334                    |
| Capital assets, net                                      | 5,947                      |
| Total noncurrent assets                                  | 663,281                    |
| <b>TOTAL ASSETS</b>                                      | <b>951,418</b>             |
| <b>LIABILITIES</b>                                       |                            |
| Current liabilities                                      |                            |
| Accounts payable                                         | 14,981                     |
| Accrued interest payable                                 | 1,131                      |
| Current portion of long-term debt                        | 55,852                     |
| Total current liabilities                                | 71,964                     |
| Noncurrent liabilities                                   |                            |
| Noncurrent portion of long-term debt                     | 396,993                    |
| <b>TOTAL LIABILITIES</b>                                 | <b>468,957</b>             |
| <b>NET ASSETS</b>                                        |                            |
| Invested in capital assets, net of related debt          | 202,984                    |
| Unrestricted                                             | 279,477                    |
| <b>TOTAL NET ASSETS</b>                                  | <b>\$ 482,461</b>          |

See accompanying notes to financial statements.

Township of Eagle  
STATEMENT OF ACTIVITIES  
Year Ended March 31, 2006

| Functions/Programs                   | Expenses          | Program Revenues        |                                       |                                     | Net (Expense)<br>Revenue and<br>Changes in<br>Net Assets |
|--------------------------------------|-------------------|-------------------------|---------------------------------------|-------------------------------------|----------------------------------------------------------|
|                                      |                   | Charges for<br>Services | Operating Grants<br>and Contributions | Capital Grants<br>and Contributions |                                                          |
| Governmental activities:             |                   |                         |                                       |                                     |                                                          |
| General government                   | \$ 101,232        | \$ 34,453               | \$ -                                  | \$ 4,800                            | \$ (61,979)                                              |
| Public safety                        | 201,013           | 29,379                  | -                                     | -                                   | (171,634)                                                |
| Public works                         | 34,491            | -                       | 4,784                                 | -                                   | (29,707)                                                 |
| Health and welfare                   | 20,880            | 9,782                   | -                                     | -                                   | (11,098)                                                 |
| Other                                | 36,894            | -                       | -                                     | -                                   | (36,894)                                                 |
| Interest on long-term debt           | 15,489            | -                       | -                                     | -                                   | (15,489)                                                 |
| <b>Total governmental activities</b> | <b>\$ 409,999</b> | <b>\$ 73,614</b>        | <b>\$ 4,784</b>                       | <b>\$ 4,800</b>                     | <b>(326,801)</b>                                         |
| General revenues:                    |                   |                         |                                       |                                     |                                                          |
| Property taxes                       |                   |                         |                                       |                                     | 238,709                                                  |
| State shared revenue                 |                   |                         |                                       |                                     | 151,258                                                  |
| Investment earnings                  |                   |                         |                                       |                                     | 8,547                                                    |
| Other                                |                   |                         |                                       |                                     | 6,564                                                    |
| <b>Total general revenues</b>        |                   |                         |                                       |                                     | <b>405,078</b>                                           |
|                                      |                   |                         |                                       |                                     | <b>Change in net assets 78,277</b>                       |
|                                      |                   |                         |                                       |                                     | <b>Net assets, beginning of the year 404,184</b>         |
|                                      |                   |                         |                                       |                                     | <b>Net assets, end of the year \$ 482,461</b>            |

See accompanying notes to financial statements.

## Township of Eagle

## GOVERNMENTAL FUNDS BALANCE SHEET

March 31, 2006

|                                                | General           | Emergency<br>Services | Rural<br>Recycling | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|------------------------------------------------|-------------------|-----------------------|--------------------|-----------------------------------|--------------------------------|
| <b>ASSETS</b>                                  |                   |                       |                    |                                   |                                |
| Cash and cash equivalents                      | \$ 117,408        | \$ 89,264             | \$ 11,284          | \$ 17,236                         | \$ 235,192                     |
| Accounts receivable                            | 2,435             | 140                   | -                  | -                                 | 2,575                          |
| Prepaid expenditures                           | 3,189             | -                     | -                  | -                                 | 3,189                          |
| Due from other governmental units -            |                   |                       |                    |                                   |                                |
| Local                                          | 9,679             | 11,046                | 1,233              | 58                                | 22,016                         |
| State                                          | 25,165            | -                     | -                  | -                                 | 25,165                         |
| <b>TOTAL ASSETS</b>                            | <b>\$ 157,876</b> | <b>\$ 100,450</b>     | <b>\$ 12,517</b>   | <b>\$ 17,294</b>                  | <b>\$ 288,137</b>              |
| <b>LIABILITIES AND FUND BALANCES</b>           |                   |                       |                    |                                   |                                |
| <b>LIABILITIES</b>                             |                   |                       |                    |                                   |                                |
| Accounts payable                               | \$ 2,796          | \$ 2,750              | \$ 9,276           | \$ 159                            | \$ 14,981                      |
| <b>FUND BALANCES</b>                           |                   |                       |                    |                                   |                                |
| Reserved for:                                  |                   |                       |                    |                                   |                                |
| Prepaid expenditures                           | 3,189             | -                     | -                  | -                                 | 3,189                          |
| Unreserved                                     |                   |                       |                    |                                   |                                |
| Undesignated, reported in:                     |                   |                       |                    |                                   |                                |
| General fund                                   | 151,891           | -                     | -                  | -                                 | 151,891                        |
| Special revenue funds                          | -                 | 97,700                | 3,241              | 4,710                             | 105,651                        |
| Permanent fund                                 | -                 | -                     | -                  | 12,425                            | 12,425                         |
| <b>TOTAL FUND BALANCES</b>                     | <b>155,080</b>    | <b>97,700</b>         | <b>3,241</b>       | <b>17,135</b>                     | <b>273,156</b>                 |
| <b>TOTAL LIABILITIES<br/>AND FUND BALANCES</b> | <b>\$ 157,876</b> | <b>\$ 100,450</b>     | <b>\$ 12,517</b>   | <b>\$ 17,294</b>                  | <b>\$ 288,137</b>              |

See accompanying notes to financial statements.

Township of Eagle

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS

March 31, 2006

**Total fund balances - governmental funds** \$ 273,156

Amounts reported for the governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

|                               |                 |  |
|-------------------------------|-----------------|--|
| The cost of capital assets is | 90,357          |  |
| Accumulated depreciation is   | <u>(84,410)</u> |  |

|                     |  |       |
|---------------------|--|-------|
| Capital assets, net |  | 5,947 |
|---------------------|--|-------|

|                                                                                                                                                                       |  |         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------|
| Equity interest in the Looking Glass Regional Fire Authority are not current financial resources and therefore is not reported as an asset in the governmental funds. |  | 657,334 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------|

Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet.  
Long-term liabilities at year-end consist of:

|                             |  |           |
|-----------------------------|--|-----------|
| Direct Township obligations |  | (452,845) |
|-----------------------------|--|-----------|

Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet.  
Long-term liabilities at year-end consist of:

|                          |  |                |
|--------------------------|--|----------------|
| Accrued interest payable |  | <u>(1,131)</u> |
|--------------------------|--|----------------|

|                                              |  |                                 |
|----------------------------------------------|--|---------------------------------|
| <b>Net assets of governmental activities</b> |  | <b><u><u>\$ 482,461</u></u></b> |
|----------------------------------------------|--|---------------------------------|

Township of Eagle

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended March 31, 2006

|                                                     | General           | Emergency Services | Rural Recycling | Nonmajor Governmental Funds | Total Governmental Funds |
|-----------------------------------------------------|-------------------|--------------------|-----------------|-----------------------------|--------------------------|
| <b>REVENUES</b>                                     |                   |                    |                 |                             |                          |
| Taxes                                               | \$ 117,582        | \$ 134,764         | \$ 12,456       | \$ 1,320                    | \$ 266,122               |
| Licenses and permits                                | 2,315             | -                  | -               | -                           | 2,315                    |
| Intergovernmental                                   | 151,258           | -                  | -               | 4,784                       | 156,042                  |
| Charges for services                                | 1,300             | 15,253             | -               | -                           | 16,553                   |
| Interest and rents                                  | 9,993             | 827                | 61              | 266                         | 11,147                   |
| Other                                               | 7,389             | 23,908             | -               | -                           | 31,297                   |
| <b>TOTAL REVENUES</b>                               | <b>289,837</b>    | <b>174,752</b>     | <b>12,517</b>   | <b>6,370</b>                | <b>483,476</b>           |
| <b>EXPENDITURES</b>                                 |                   |                    |                 |                             |                          |
| Current                                             |                   |                    |                 |                             |                          |
| General government                                  | 97,232            | -                  | -               | -                           | 97,232                   |
| Public safety                                       | 11,613            | 138,334            | -               | -                           | 149,947                  |
| Public works                                        | 18,601            | -                  | 9,276           | 6,614                       | 34,491                   |
| Health and welfare                                  | -                 | 20,880             | -               | -                           | 20,880                   |
| Other                                               | 36,894            | -                  | -               | -                           | 36,894                   |
| Debt service                                        | 69,636            | -                  | -               | -                           | 69,636                   |
| <b>TOTAL EXPENDITURES</b>                           | <b>233,976</b>    | <b>159,214</b>     | <b>9,276</b>    | <b>6,614</b>                | <b>409,080</b>           |
| <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b> | <b>55,861</b>     | <b>15,538</b>      | <b>3,241</b>    | <b>(244)</b>                | <b>74,396</b>            |
| Fund balances, beginning of year                    | 99,219            | 82,162             | -               | 17,379                      | 198,760                  |
| Fund balances, end of year                          | <u>\$ 155,080</u> | <u>\$ 97,700</u>   | <u>\$ 3,241</u> | <u>\$ 17,135</u>            | <u>\$ 273,156</u>        |

See accompanying notes to financial statements.

Township of Eagle

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended March 31, 2006

**Net change in fund balances - total governmental funds** \$ 74,396

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

|                      |         |
|----------------------|---------|
| Depreciation expense | (4,000) |
|----------------------|---------|

Repayment of long-term debt and borrowing of long-term debt is reported as expenditures and other financing sources in governmental funds, but the repayment reduces long-term liabilities and the borrowings increase long-term liabilities in the statement of net assets. In the current year, these amounts consist of:

|                           |        |
|---------------------------|--------|
| Debt principal retirement | 53,786 |
|---------------------------|--------|

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

|                                                                      |          |          |
|----------------------------------------------------------------------|----------|----------|
| Capital assets contributed to the Township                           | 4,800    |          |
| Decrease in equity interest in Looking Glass Regional Fire Authority | (51,066) |          |
| Decrease in accrued interest payable                                 | 361      |          |
|                                                                      | (45,905) | (45,905) |

**Change in net assets of governmental activities** \$ 78,277

See accompanying notes to financial statements.

Township of Eagle

Fiduciary Fund

STATEMENT OF NET ASSETS

March 31, 2006

|                                         | <u>Agency<br/>Funds</u> |
|-----------------------------------------|-------------------------|
| ASSETS                                  |                         |
| Cash                                    | <u>\$        341</u>    |
| LIABILITIES                             |                         |
| Due to other governmental units - Local | <u>\$        341</u>    |

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

**NOTE A: DESCRIPTION OF TOWNSHIP OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Eagle Township, Michigan was organized as a Township under provisions of the constitution and general law of the State of Michigan. The Township is one of sixteen (16) townships in Clinton County. The Township operates under an elected Township Board which consists of a Supervisor, Clerk, Treasurer, and two trustees, and provides services to its residents in many areas including fire protection, roads, and planning.

1. Reporting Entity

As required by accounting principles generally accepted in the United States of America; GASB Statement No. 14, *The Financial Reporting Entity* (as amended by GASB Statement No. 39); and *Statement on Michigan Governmental Accounting and Auditing No. 5*, these financial statements present all financial activities of the Township of Eagle. The Township has no activities that would be classified as component units.

The inclusion of the activities of various agencies is based on the manifestation of oversight criteria, relying on such guidelines as the selection of the governing authority, the designation of management, the ability to exert significant influence on operations, and the accountability for fiscal matters. The accountability for fiscal matters considers the possession of the budgetary authority, the responsibility for surplus or deficit, the controlling of fiscal management, and the revenue characteristics, whether a levy or a charge. Consideration is also given to the scope of public service. The scope of public service considers whether the activity is for the benefit of the reporting entity and/or its residents and is within the geographic boundaries of the reporting entity and generally available to its citizens.

Based upon the application of these criteria, the financial statements of Eagle Township contain all the funds controlled by the Township Board.

2. Joint Venture

Looking Glass Regional Fire Authority (the Authority) was established by the Township of Eagle and the Charter Township of Watertown. The Authority was incorporated in October 2001, under the provisions of Act 7, Public Acts of 1967, known as the Urban Cooperation Act of 1967. The Authority is governed by a board composed of the residents of each of the constituent Townships. The Authority was formed to operate, maintain, administer, and manage a joint fire department for the benefit of constituent municipalities. The Township of Eagle currently is represented by two (2) of the five (5) members of the Authority board. The Township of Eagle's equity interest in the Authority was \$657,334.

The members of the Authority and percentage of responsibility are as follows:

|                    |     |
|--------------------|-----|
| Eagle Township     | 35% |
| Watertown Township | 65% |

Financial statements of the Authority can be received from the Authority's administrative office.

3. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities (the government-wide statements) present information for the primary government units as a whole. All nonfiduciary activities of the primary government are included (i.e., fiduciary fund activities are not included in the government-wide statements). For the most part, interfund activity has been eliminated in the preparation of these statements.

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

**NOTE A: DESCRIPTION OF TOWNSHIP OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

3. Basis of Presentation - continued

The statement of activities presents the direct functional expenses of the primary government and the program revenues that support them. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients of goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes all taxes, interest, and unrestricted State revenue sharing payments and other general revenues and shows how governmental functions are either self-financing or supported by general revenues.

FUND FINANCIAL STATEMENTS

The fund financial statements present the Township's individual major funds and aggregated nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The major funds of the Township are:

- a. The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government except for those that are required to be accounted for in another fund.
- b. The Emergency Services Fund is used to report emergency services that are financed primarily by property taxes or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management and control, or other purposes.
- c. The Rural Recycling Fund is used to report recycling services that are financed by property taxes.

4. Measurement Focus

The government-wide financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations to the government-wide statements are provided that explain the differences in detail.

All governmental funds are presented using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

5. Basis of Accounting

Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both "measurable" and "available to finance expenditures of the current period"). The length of time used for "available" for purposes of revenue recognition in the governmental fund financial statements is 60 days. Revenues that are considered measurable but not available are recorded as a receivable and deferred revenue. Significant revenues susceptible to accrual are property taxes, special assessments, and certain intergovernmental revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt which is recorded when due.

Township of Eagle

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

**NOTE A: DESCRIPTION OF TOWNSHIP OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

5. Basis of Accounting - continued

Private-sector standards of accounting and financial reporting issued to December 1, 1989, generally are followed in both the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The Township has elected not to follow subsequent private-sector guidance.

6. Cash and Cash Equivalents

Cash and cash equivalents consist of checking, savings, and public funds money market accounts.

7. Property Tax

The Township of Eagle bills and collects both its own property tax levy and the tax levy for other governmental units. The Township's property tax revenue recognition policy and related tax calendar disclosures are highlighted in the following paragraph:

Property taxes are levied twice per year. A summer tax is levied on July 1 and a winter tax is levied on December 1. The tax levies are due September 14 and February 14, respectively. All taxes not paid by their due dates are deemed delinquent. Delinquent real property taxes are turned over to the Clinton County Treasurer on March 1 of the year following the levy. The Clinton County Treasurer remits payment to all taxing units on all delinquent real property taxes. Delinquent personal property taxes are retained by the Township for subsequent collection. Property taxes are recognized as revenues in the period for which they are levied.

The Township is permitted to levy up to \$1 per \$1,000 of assessed valuation for general governmental services and additional amounts for emergency services operations. For the year ended March 31, 2006 the Township levied 1.0000 and 1.5000 mills per \$1,000 of assessed valuation for general governmental services and emergency services, respectively. The total taxable value for the 2005 levy for property within the Township was \$89,910,984.

8. Receivables

Receivables consist of amounts due from governmental units for various financial assistance programs and State shared revenues and accounts receivable related to charges for services.

9. Capital Assets

Capital assets include buildings and equipment and are recorded (net of accumulated depreciation, if applicable) in the government-wide financial statements under the governmental activities column. Capital assets are those with an initial individual cost of \$1,000 or more and an estimated useful life of more than one year. Capital assets are not recorded in the governmental funds. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is computed using the straight-line method over the following useful lives:

|           |              |
|-----------|--------------|
| Buildings | 40 years     |
| Equipment | 3 - 20 years |

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

**NOTE A: DESCRIPTION OF TOWNSHIP OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

10. Budgets and Budgetary Accounting

The General Fund and major Special Revenue Fund budgets shown as required supplementary information to the financial statements were prepared on a basis consistent with the basis used to reflect actual results.

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Prior to April 1, the budget is legally adopted on a departmental (activity) level for the General Fund through passage of a Board resolution. After the budget is adopted all transfers of budgeted amounts between activities, or any revisions that alter the total expenditures of the fund or activity, must be approved by the Township Board.
- b. Formal budgetary integration is employed as a management control device during the year.
- c. The Township does not employ encumbrance accounting as an extension of formal budgetary integration. Appropriations unused at March are not carried forward to the following fiscal year.
- d. Budgeted amounts are reported as originally adopted or amended by the Township Board during the year.

11. Long-Term Obligations

Long-term debt and other long-term obligations are recognized as a liability in the government-wide financial statements when incurred. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as long-term.

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the General Fund for a payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

12. Comparative Data

Comparative data for the year has not been presented in the accompanying financial statements since the inclusion of comparative data would make the statements unduly complex and difficult to read.

**NOTE B: CASH AND CASH EQUIVALENTS**

In accordance with Michigan Compiled Laws, the Township is authorized to invest in the following investment vehicles:

1. Bonds, securities, and other obligations of the United States or any agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of the State or the United States, but only if the bank, savings and loan association, savings bank, or credit union is eligible to be a depository of surplus funds belonging to the State under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

**NOTE B: CASH AND CASH EQUIVALENTS - CONTINUED**

3. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
4. The United States government or federal agency obligations repurchase agreements.
5. Bankers acceptances of United States banks.
6. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

Federal Deposit Insurance Corporation (FDIC) regulations provide that deposits of governmental units are to be separately insured for the amount of \$100,000 for deposits in an insured bank for savings deposits and \$100,000 for demand deposits. Furthermore, if specific deposits are regulated by statute or bond indenture, these specific deposits are to be separately insured for the amount of \$100,000. Michigan Compiled Laws allow for collateralization of government deposits if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities, issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

The Township's cash and cash equivalents at March 31, 2006, are composed of the following:

| <u>Account Type</u>           | <u>Carrying<br/>Amount</u> | <u>Bank<br/>Balance</u> |
|-------------------------------|----------------------------|-------------------------|
| PRIMARY GOVERNMENT            |                            |                         |
| Checking and savings accounts | \$ 235,192                 | \$ 248,076              |
| FIDUCIARY FUNDS               |                            |                         |
| Checking                      | <u>341</u>                 | <u>430</u>              |
| TOTAL REPORTING ENTITY        | <u>\$ 235,533</u>          | <u>\$ 248,506</u>       |

Deposits of the Township are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the Township. As of March 31, 2006, the Township accounts were insured by the FDIC for \$217,939, and the amount of \$30,567 was uninsured.

Due to significantly higher cash flows at certain periods during the year, the amount the Township held as cash increased significantly. As a result, the amount of uninsured and uncollateralized cash was substantially higher at these peak periods than at year end.

Credit risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). As of March 31, 2006, the Township did not have any investments that would be subject to rating.

Interest rate risk

The Township will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by designing its portfolio with the objective of obtaining a rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

Township of Eagle

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

**NOTE B: CASH AND CASH EQUIVALENTS - CONTINUED**

Concentration of credit risk

The Township will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Township's investment in a single issuer, by designing its portfolio so that the investments will be diversified by security type and institution in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

**NOTE C: CAPITAL ASSETS**

Capital asset activity for the year ended March 31, 2006 was as follows:

|                                    | <u>Balance</u><br><u>April 1, 2005</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u><br><u>March 31, 2006</u> |
|------------------------------------|----------------------------------------|------------------|------------------|-----------------------------------------|
| Governmental activities            |                                        |                  |                  |                                         |
| Buildings                          | \$ 73,863                              | \$ -             | \$ -             | \$ 73,863                               |
| Equipment                          | <u>11,694</u>                          | <u>4,800</u>     | <u>-</u>         | <u>16,494</u>                           |
| Totals at historical cost          | 85,557                                 | 4,800            | -0-              | 90,357                                  |
| Less accumulated depreciation for: |                                        |                  |                  |                                         |
| Buildings                          | ( 73,863 )                             | -                | -                | ( 73,863 )                              |
| Equipment                          | <u>( 6,547 )</u>                       | <u>( 4,000 )</u> | <u>-</u>         | <u>( 10,547 )</u>                       |
| Total accumulated depreciation     | <u>( 80,410 )</u>                      | <u>( 4,000 )</u> | <u>-0-</u>       | <u>( 84,410 )</u>                       |
| Capital assets, net                | <u>\$ 5,147</u>                        | <u>\$ 800</u>    | <u>\$ -0-</u>    | <u>\$ 5,947</u>                         |

Depreciation expense of \$4,000 was included on the statement of activities under the "general government" function.

**NOTE D: LONG-TERM DEBT**

The following is a summary of changes in long term debt (including current portion) of the Township for the year ended March 31, 2006:

|                         | <u>Balance</u><br><u>April 1, 2005</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u><br><u>March 31, 2006</u> | <u>Amounts</u><br><u>Due Within</u><br><u>One Year</u> |
|-------------------------|----------------------------------------|------------------|------------------|-----------------------------------------|--------------------------------------------------------|
| PRIMARY GOVERNMENT      |                                        |                  |                  |                                         |                                                        |
| Governmental activities |                                        |                  |                  |                                         |                                                        |
| Notes payable           | <u>\$ 506,631</u>                      | <u>\$ -</u>      | <u>\$ 53,786</u> | <u>\$ 452,845</u>                       | <u>\$ 55,852</u>                                       |

Significant details regarding outstanding long-term debt (including current portions) are presented below:

The Members of the Township Board of the Township of Eagle are party to two (2) long-term debt loan agreements. The proceeds of these promissory notes were used to finance thirty-five percent of the costs of a Looking Glass Regional Fire Authority capital project.

Township of Eagle

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

**NOTE D: LONG-TERM DEBT - CONTINUED**

Notes payable at March 31, 2006 for the governmental activities are as follows:

|                                                                                                                                                                                                                                       |                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| \$500,000 Capital Project note payable dated September 1, 2002, due in monthly installments ranging from \$3,959 to \$4,141 through August 1, 2007, with interest of 3.38 percent. A balloon payment of \$271,014 is due at maturity. | \$ 340,546        |
| \$130,000 Capital Project note payable dated August 12, 2003, due in monthly installments ranging from \$625 to \$668 through August 10, 2008, with interest of 2.81 percent. A balloon payment of \$93,460 is due at maturity.       | <u>112,299</u>    |
|                                                                                                                                                                                                                                       | <u>\$ 452,845</u> |

The annual requirements to pay the debt principal and interest outstanding for the notes payable are as follows:

| <u>Year Ending<br/>March 31,</u> | <u>Principal</u>  | <u>Interest</u>  | <u>Total</u>      |
|----------------------------------|-------------------|------------------|-------------------|
| 2007                             | \$ 55,852         | \$ 13,784        | \$ 69,636         |
| 2008                             | 299,709           | 6,824            | 306,533           |
| 2009                             | <u>97,284</u>     | <u>1,337</u>     | <u>98,621</u>     |
|                                  | <u>\$ 452,845</u> | <u>\$ 21,945</u> | <u>\$ 474,790</u> |

**NOTE E: RETIREMENT PLAN**

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on the investments of those contributions. The Eagle Township Pension Plan is administered by The Manufacturers Life Insurance Company.

The Township is required to contribute \$200 per \$1,000 of compensation paid for all eligible employees. Contributions to the pension plan by the Township for the year ended March 31, 2006, were \$11,000.

**NOTE F: RISK MANAGEMENT**

The Township is exposed to various risks of loss for workers' compensation for which the Township carries commercial insurance.

The Township also participates in a pool, the Michigan Township Participating Plan, with other municipalities for property, liability, wrongful acts, auto, crime, in-land marine, and bonding losses. The pool is organized under Public Act 138 of 1982, as amended. The Township has no liability for additional assessments based on the claims filed against the pool nor do they have any right to dividends.

Township of Eagle

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

**NOTE G: FUND EQUITY RESERVES**

Reserved fund balance is used to earmark a portion of fund equity to indicate that it is not appropriate for expenditure or has been legally segregated for a specific future use.

The following is the fund balance reserve as of March 31, 2006:

|                      |                 |
|----------------------|-----------------|
| General Fund         |                 |
| Reserved for:        |                 |
| Prepaid expenditures | <u>\$ 3,189</u> |

**NOTE H: EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

Michigan Public Act 621 of 1978, Sections 18 and 19, as amended, provides that a local governmental unit not incur expenditures in excess of the amount appropriated.

In the required supplementary information to the financial statements, the Township's budgeted expenditures in the General and major Special Revenue Funds have been shown at the functional classification level. The approved budgets of the Township have been adopted at the activity level for the General Fund and the total expenditures level for the Special Revenue Funds.

During the year ended March 31, 2006, the Township incurred expenditures in the Emergency Services Fund in excess of the amounts appropriated as follows:

|                         | <u>Amounts<br/>Appropriated</u> | <u>Amounts<br/>Expended</u> | <u>Variance</u> |
|-------------------------|---------------------------------|-----------------------------|-----------------|
| Emergency Services Fund |                                 |                             |                 |
| Public safety           |                                 |                             |                 |
| Fire services           | \$ 158,030                      | \$ 159,214                  | \$ 1,184        |

**REQUIRED SUPPLEMENTARY INFORMATION**

## Township of Eagle

## General Fund

## BUDGETARY COMPARISON SCHEDULE - REVENUES

Year Ended March 31, 2006

|                                       | Budgeted Amounts |            | Actual     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|------------|------------|---------------------------------------------------------|
|                                       | Original         | Final      |            |                                                         |
| Taxes                                 |                  |            |            |                                                         |
| Current and delinquent property taxes | \$ 91,968        | \$ 91,968  | \$ 89,960  | \$ (2,008)                                              |
| Trailer tax                           | 140              | 140        | 209        | 69                                                      |
| Administrative fee                    | 27,772           | 27,772     | 27,413     | (359)                                                   |
| Total taxes                           | 119,880          | 119,880    | 117,582    | (2,298)                                                 |
| Licenses and permits                  |                  |            |            |                                                         |
| Franchise fees                        | 2,000            | 2,000      | 2,315      | 315                                                     |
| Intergovernmental - State             |                  |            |            |                                                         |
| State shared revenue                  | 150,000          | 150,000    | 151,258    | 1,258                                                   |
| Charges for services                  |                  |            |            |                                                         |
| Land division                         | 1,000            | 1,000      | 1,300      | 300                                                     |
| Interest and rents                    |                  |            |            |                                                         |
| Interest                              | 2,000            | 2,000      | 7,393      | 5,393                                                   |
| Rents                                 | 1,800            | 1,800      | 2,600      | 800                                                     |
| Total interest and rents              | 3,800            | 3,800      | 9,993      | 6,193                                                   |
| Other                                 |                  |            |            |                                                         |
| Refunds and reimbursements            | 1,000            | 1,000      | 1,207      | 207                                                     |
| Miscellaneous                         | 50               | 50         | 6,182      | 6,132                                                   |
| Total other                           | 1,050            | 1,050      | 7,389      | 6,339                                                   |
| TOTAL REVENUES                        | \$ 277,730       | \$ 277,730 | \$ 289,837 | \$ 12,107                                               |

## Township of Eagle

## General Fund

## BUDGETARY COMPARISON SCHEDULE - EXPENDITURES BY ACTIVITY

Year Ended March 31, 2006

|                          | Budgeted Amounts |            | Actual     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------|------------------|------------|------------|---------------------------------------------------------|
|                          | Original         | Final      |            |                                                         |
| EXPENDITURES             |                  |            |            |                                                         |
| General government       |                  |            |            |                                                         |
| Legislative              | \$ 17,700        | \$ 18,570  | \$ 15,857  | \$ 2,713                                                |
| Supervisor               | 13,000           | 13,000     | 13,000     | -0-                                                     |
| Assessor                 | 58,000           | 58,000     | 24,294     | 33,706                                                  |
| Clerk                    | 17,000           | 17,000     | 17,000     | -0-                                                     |
| Board of review          | 700              | 700        | 433        | 267                                                     |
| Treasurer                | 15,400           | 15,400     | 15,400     | -0-                                                     |
| Township hall            | 10,000           | 10,300     | 6,293      | 4,007                                                   |
| Elections                | 6,000            | 6,000      | 1,973      | 4,027                                                   |
| Cemetery                 | 3,500            | 3,500      | 2,982      | 518                                                     |
| Total general government | 141,300          | 142,470    | 97,232     | 45,238                                                  |
| Public safety            |                  |            |            |                                                         |
| Emergency management     | 25,000           | 25,000     | 11,613     | 13,387                                                  |
| Planning commission      | 433              | 433        | -          | 433                                                     |
| Total public safety      | 25,433           | 25,433     | 11,613     | 13,820                                                  |
| Public works             |                  |            |            |                                                         |
| Highways and streets     | 21,500           | 26,925     | 14,884     | 12,041                                                  |
| Drain at large           | 6,000            | 6,000      | 3,717      | 2,283                                                   |
| Total public works       | 27,500           | 32,925     | 18,601     | 14,324                                                  |
| Other                    | 50,550           | 40,360     | 36,894     | 3,466                                                   |
| Debt service             |                  |            |            |                                                         |
| Principal                | 50,200           | 53,795     | 53,786     | 9                                                       |
| Interest                 | 16,600           | 16,600     | 15,850     | 750                                                     |
| Total debt service       | 66,800           | 70,395     | 69,636     | 759                                                     |
| TOTAL EXPENDITURES       | \$ 311,583       | \$ 311,583 | \$ 233,976 | \$ 77,607                                               |

Township of Eagle

Emergency Services Fund

BUDGETARY COMPARISON SCHEDULE

Year Ended March 31, 2006

|                                                         | Budgeted Amounts |                | Actual         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------------------------|------------------|----------------|----------------|---------------------------------------------------------|
|                                                         | Original         | Final          |                |                                                         |
| <b>REVENUES</b>                                         |                  |                |                |                                                         |
| Taxes                                                   | \$ 140,452       | \$ 140,452     | \$ 134,764     | \$ (5,688)                                              |
| Charges for services                                    | 200              | 200            | 15,253         | 15,053                                                  |
| Interest and rents                                      | 200              | 200            | 827            | 627                                                     |
| Other                                                   |                  |                |                |                                                         |
| Reimbursements                                          | 7,742            | 7,742          | 23,908         | 16,166                                                  |
| <b>TOTAL REVENUES</b>                                   | <b>148,594</b>   | <b>148,594</b> | <b>174,752</b> | <b>26,158</b>                                           |
| <b>EXPENDITURES</b>                                     |                  |                |                |                                                         |
| Public safety                                           |                  |                |                |                                                         |
| Fire services                                           | 142,030          | 137,150        | 138,334        | (1,184)                                                 |
| Health and welfare                                      |                  |                |                |                                                         |
| Emergency services                                      | 16,000           | 20,880         | 20,880         | -0-                                                     |
| <b>TOTAL EXPENDITURES</b>                               | <b>158,030</b>   | <b>158,030</b> | <b>159,214</b> | <b>(1,184)</b>                                          |
| <b>EXCESS OF REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <b>(9,436)</b>   | <b>(9,436)</b> | <b>15,538</b>  | <b>24,974</b>                                           |
| Fund balance, beginning of year                         | 82,162           | 82,162         | 82,162         | -0-                                                     |
| Fund balance, end of year                               | \$ 72,726        | \$ 72,726      | \$ 97,700      | \$ 24,974                                               |

Township of Eagle

Rural Recycling Fund

BUDGETARY COMPARISON SCHEDULE

Year Ended March 31, 2006

|                                                 | Budgeted Amounts |                 | Actual          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-------------------------------------------------|------------------|-----------------|-----------------|---------------------------------------------------------|
|                                                 | Original         | Final           |                 |                                                         |
| <b>REVENUES</b>                                 |                  |                 |                 |                                                         |
| Taxes                                           | \$ 12,252        | \$ 12,252       | \$ 12,456       | \$ 204                                                  |
| Interest and rents                              | -                | -               | 61              | 61                                                      |
| <b>TOTAL REVENUES</b>                           | <b>12,252</b>    | <b>12,252</b>   | <b>12,517</b>   | <b>265</b>                                              |
| <b>EXPENDITURES</b>                             |                  |                 |                 |                                                         |
| Public works                                    |                  |                 |                 |                                                         |
| Recycling fees                                  | 9,276            | 9,276           | 9,276           | -0-                                                     |
| <b>EXCESS OF REVENUES OVER<br/>EXPENDITURES</b> | <b>2,976</b>     | <b>2,976</b>    | <b>3,241</b>    | <b>265</b>                                              |
| Fund balance, beginning of year                 | -                | -               | -               | -0-                                                     |
| Fund balance, end of year                       | <u>\$ 2,976</u>  | <u>\$ 2,976</u> | <u>\$ 3,241</u> | <u>\$ 265</u>                                           |

## **OTHER SUPPLEMENTARY INFORMATION**

Township of Eagle

Nonmajor Governmental Funds

COMBINING BALANCE SHEET

March 31, 2006

|                                                | Special Revenue  |               | Permanent         | Total                             |
|------------------------------------------------|------------------|---------------|-------------------|-----------------------------------|
|                                                | Street<br>Lights | METRO<br>Act  | Niles<br>Cemetery | Nonmajor<br>Governmental<br>Funds |
| ASSETS                                         |                  |               |                   |                                   |
| Cash                                           | \$ 4,811         | \$ -          | \$ 12,425         | \$ 17,236                         |
| Due from other governmental units -<br>Local   | 58               | -             | -                 | 58                                |
| <b>TOTAL ASSETS</b>                            | <b>\$ 4,869</b>  | <b>\$ -0-</b> | <b>\$ 12,425</b>  | <b>\$ 17,294</b>                  |
| LIABILITIES AND FUND BALANCES                  |                  |               |                   |                                   |
| LIABILITIES                                    | \$ 159           | \$ -          | \$ -              | \$ 159                            |
| FUND BALANCES                                  |                  |               |                   |                                   |
| Unreserved                                     |                  |               |                   |                                   |
| Undesignated, reported in:                     |                  |               |                   |                                   |
| Special revenue funds                          | 4,710            | -             | -                 | 4,710                             |
| Permanent fund                                 | -                | -             | 12,425            | 12,425                            |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <b>\$ 4,869</b>  | <b>\$ -0-</b> | <b>\$ 12,425</b>  | <b>\$ 17,294</b>                  |

Township of Eagle

Nonmajor Governmental Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES

Year Ended March 31, 2006

|                                                         | Special Revenue  |               | Permanent         | Total                             |
|---------------------------------------------------------|------------------|---------------|-------------------|-----------------------------------|
|                                                         | Street<br>Lights | METRO<br>Act  | Niles<br>Cemetery | Nonmajor<br>Governmental<br>Funds |
| REVENUES                                                |                  |               |                   |                                   |
| Taxes                                                   | \$ 1,320         | \$ -          | \$ -              | \$ 1,320                          |
| Intergovernmental - State                               | -                | 4,784         | -                 | 4,784                             |
| Interest and rents                                      | 71               | 11            | 184               | 266                               |
| <b>TOTAL REVENUES</b>                                   | <b>1,391</b>     | <b>4,795</b>  | <b>184</b>        | <b>6,370</b>                      |
| EXPENDITURES                                            |                  |               |                   |                                   |
| Public works                                            | 1,819            | 4,795         | -                 | 6,614                             |
| <b>EXCESS OF REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <b>(428)</b>     | <b>-0-</b>    | <b>184</b>        | <b>(244)</b>                      |
| Fund balances, beginning of year                        | 5,138            | -             | 12,241            | 17,379                            |
| Fund balances, end of year                              | <u>\$ 4,710</u>  | <u>\$ -0-</u> | <u>\$ 12,425</u>  | <u>\$ 17,135</u>                  |